

It is evident therefore that some arrangement of the tariffs is necessary which will insure the rate between Europe and Australasia remaining constant, notwithstanding that one or the other of the cables east and west of Norfolk Island should be broken down. A rupture of both cables simultaneously would, of course, mean a total interruption of the Pacific cable, and the traffic would necessarily be diverted.

To meet the case of the partial interruption described in paragraph 1 above, it would be necessary that the Pacific cable and the Colonial Governments interested should be prepared to give up a portion of their usual rates to prevent the tariff being raised to the public. I should be glad to have the views of your Government on this point, and I would remark that the most convenient arrangement would appear to be that the Pacific Cable Board should bear the Extension Company's charges of 3d. and that the Federal and New Zealand Governments should carry the diverted traffic free between the terminus of the Pacific and the Extension Company's cables.

With such an arrangement, in the case of the Australian traffic being diverted *via* New Zealand, the Pacific cable would be debited with 3d. per word for the Extension Company's transit, and New Zealand would carry the traffic free between Doubtless Bay and Nelson. In the case of New Zealand traffic having to be diverted *via* Australia, the Pacific cable would again be debited with 3d. for the Extension Company, and the Australian Government would carry the traffic free between Southport and Sydney (La Perouse). In each case the Pacific cable would lose 3d., while Australia and New Zealand would each render to the other a free service over their land-lines during the short periods that the cables would be interrupted.

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The Hon. the Postmaster-General, Wellington.

I have, &c.,
S. WALPOLE, Chairman.

No. 131.

The SUPERINTENDENT, Pacific Cable Station, Doubtless Bay, to the ACCOUNTANT, General Post Office, Wellington.

(Telegram.)

Doubtless Bay, 8th October, 1902.

we treat Norfolk and Suva as international, and credit you penny per word.

No. 132.

The ACCOUNTANT, General Post Office, Wellington, to the SUPERINTENDENT, Pacific Cable Station, Doubtless Bay.

(Telegram.)

Wellington, 9th October, 1902.

DECISION arrived at when tariff was fixed that New Zealand terminal rate on Press messages to Norfolk Island or Fiji should be same as to Australia—viz., 6d. per 100 words.

No. 133.

The SECRETARY, General Post Office, Wellington, to the SUPERINTENDENT, Pacific Cable Station, Doubtless Bay.

(Telegram.)

Wellington, 24th October, 1902.

WHEN may we expect particulars of rates for international messages *via* Pacific, including, of course, rates for North, Central, and South America.

No. 134.

The SUPERINTENDENT, Pacific Cable Station, Doubtless Bay, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Doubtless Bay, 24th October, 1902.

HAVE not heard about rates. Probably cable will not be open for traffic until some time after completion. I have no doubt the rates will be cabled as soon as we are through to Vancouver.

No. 135.

The Hon. the POSTMASTER - GENERAL, Wellington, to the CHAIRMAN, Pacific Cable Board London.

SIR,—

General Post Office, Wellington, 27th October, 1902.

I have the honour to acknowledge the receipt of your letter of the 6th August last, proposing, in view of the early opening of the Pacific cable, that, in the event of a breakdown either of the section of the cable between Norfolk Island and Southport or between Norfolk Island and Doubtless Bay, the additional overland charges which would in ordinary course be incurred for the diverted traffic on the Australian and New Zealand lines respectively should be waived, the extra charge for transmission over the La Perouse-Wakapuaka cable in either case to be borne by the Pacific Cable Board.

In reply, I have to inform you that the arrangement proposed is one which I shall have pleasure in supporting. If the Government of the Commonwealth of Australia will consent to the free transmission between Southport and La Perouse of diverted traffic, and your Board